



General Assembly

***Amendment***

*June Special Session, 2005*

LCO No. 8333

**\*HB0750208333HDO\***

Offered by:  
REP. DILLON, 92<sup>nd</sup> Dist.

To: House Bill No. 7502

File No.

Cal. No.

***"AN ACT CONCERNING THE IMPLEMENTATION OF VARIOUS  
BUDGETARY PROVISIONS."***

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Subdivision (8) of section 4-37f of the general statutes is  
4 repealed and the following is substituted in lieu thereof (*Effective July*  
5 *1, 2005*):

6 (8) (A) A foundation which has in any of its fiscal years receipts and  
7 earnings from investments totaling one hundred thousand dollars per  
8 year or more shall have completed on its behalf for such fiscal year a  
9 full audit of the books and accounts of the foundation. A foundation  
10 which has receipts and earnings from investments totaling less than  
11 one hundred thousand dollars in each fiscal year during any three of  
12 its consecutive fiscal years beginning October 1, 1986, shall have  
13 completed on its behalf for the third fiscal year in any such three-year  
14 period a full audit of the books and accounts of the foundation. For  
15 each fiscal year in which an audit is not required pursuant to this

16 [subdivision] subparagraph financial statements shall be provided by  
17 the foundation to the executive authority of the state agency. Each  
18 audit under this [subdivision] subparagraph shall be conducted [(A)]  
19 (i) by an independent certified public accountant or, if requested by the  
20 state agency with the consent of the foundation, the Auditors of Public  
21 Accounts, and [(B)] (ii) in accordance with generally accepted auditing  
22 standards. The audit report shall include financial statements, a  
23 management letter and an audit opinion which address the  
24 conformance of the operating procedures of the foundation with the  
25 provisions of sections 4-37e to 4-37i, inclusive, and recommend any  
26 corrective actions needed to ensure such conformance. Each audit  
27 report shall disclose the receipt or use by the foundation of any public  
28 funds in violation of said sections or any other provision of the general  
29 statutes. The foundation shall provide a copy of each audit report  
30 completed pursuant to this subdivision to the executive authority of  
31 the state agency. Each financial statement required under this  
32 [subdivision] subparagraph shall include, for the fiscal year to which  
33 the statement applies, the total receipts and earnings from investments  
34 of the foundation and the amount and purpose of each receipt of funds  
35 by the state agency from the foundation. As used in this [subdivision]  
36 subparagraph, "fiscal year" means any twelve-month period adopted  
37 by a foundation as its accounting year.

38 (B) On and after October 1, 2005, a foundation that is established for  
39 a constituent unit of the state system of higher education or a public  
40 institution of higher education shall have completed on its behalf an  
41 audit of the public funds, including endowment fund state grant  
42 funds, deposited in the foundation. Such audit shall address  
43 conformance with section 10a-77a, 10a-99a, 10a-109i or 10a-143a, as  
44 appropriate, and shall be completed by the Auditors of Public  
45 Accounts on a biennial basis, unless the auditors deem a different time  
46 schedule more economical and efficient or necessary.

47 (C) Notwithstanding any provision of the general statutes, the  
48 Auditors of Public Accounts, in conducting each audit of a foundation  
49 that is established for a constituent unit of the state system of higher

50 education or a public institution of higher education shall maintain the  
51 confidentiality of any donor records of the foundation, regardless of  
52 whether the donor requested confidentiality under section 4-37h."